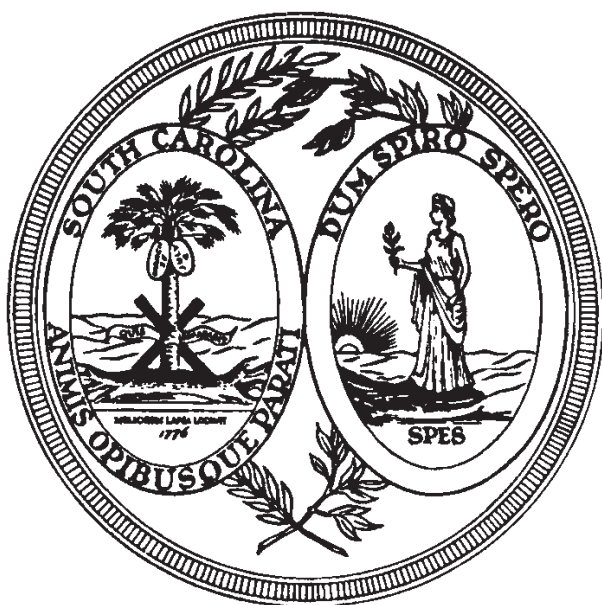


State of South Carolina
Department of Revenue

ACH CREDIT INSTRUCTIONS AND GUIDELINES



Taxpayer's Guide to Successful ACH Credit Payments
(Electronic Funds Transfer)
via Taxpayer's Financial Institution

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Contact information

SCDOR
EFT Help Desk
PO Box 125
Columbia, SC 29214-0220

Questions? We're here to help.

Contact us at BusinessEFT@dor.sc.gov (email), 803-896-1715 (phone) or 803-896-1779 (fax).

INTRODUCTION

The SCDOR requires certain tax payments to be initiated on or before the payment due date. Tax payments must post to the SCDOR bank account within two banking days after the due date. Revenue procedures and policies have been established by the SCDOR for this requirement.

The EFT Program offers two options of payment: ACH Debit and ACH Credit. ACH Debit allows the SCDOR to debit the taxpayer's bank account for the amount being paid using the MyDORWAY or Gov.One systems. This document focuses on the ACH Credit option of payment.

ACH Credit allows you to send payments to the SCDOR's bank account through a banking program offered by your financial institution. Returns should be filed through MyDORWAY or other SCDOR-approved electronic programs. To register for ACH Credit, complete the D-128, Registration Application for Electronic Funds Transfer which can be found at **dor.sc.gov/forms**. Once the D-128 is received and processed, the SCDOR will mail you an approval notice.

The ACH Credit option allows you to initiate ACH transfers using the Cash Concentration and Disbursement Plus (CCD+) format. You will contact your depository or currency management service provider and instruct them to initiate the transaction on or before the due date. Timely payments must post to the SCDOR's bank account no later than two banking days after the due date.

You must make arrangements with your financial institution to initiate an ACH Credit. We recommend contacting your financial institution before initiating an ACH Credit to determine what ACH origination services they offer. The cost of this transaction is charged to you.

If you select the ACH Credit method, the SCDOR will provide our bank account number and ABA (American Bank Association) Routing/Transit number necessary to initiate an ACH Credit. This will be mailed to you **after** you have registered with the SCDOR for ACH Credit. The SCDOR's bank account number used to receive ACH Credits is not the same account used for fedwires.

You can find CCD+ record formatting (TXP addendum convention) and an explanation of the data elements beginning on page 6.

Advantages of making payments through the EFT program include:

- The cost and time to generate and sign checks is eliminated.
- You know exactly when your account will be debited.
- EFT can be implemented without purchasing additional computers or remittance processing hardware.

The purpose of this booklet is to provide you with specific information concerning your requirements and answers to some basic questions. If you have additional questions or would like further information, contact the SCDOR EFT Help Desk using the information found on page 2.

PROGRAM PARTICIPATION

Who must participate in the EFT Program?

Taxpayers with a liability of \$15,000 or more during a filing period are required to make the funds immediately available to the SCDOR. EFT is one option to meet this requirement for the following tax types. (Filing period varies by tax type; i.e. Admissions is monthly, Withholding is quarterly, Corporate is annually, etc.):

TAX TYPES

911	Deed Recording Fees
Admissions	Dry Cleaning
Airline	Electric Power
Alcohol	Indigent Health Care
Beer Excise	Motor Fuel
Bingo	Public Utility
Brewpub	Tobacco Products
Carline	Wine
Corporate:	Withholding
Bank	
Corporation (Domestic, Foreign, or Limited Liability)	
Electric Coop	
Non-Profit Corporation	
Savings & Loan	
Utility	

How do I register for EFT?

Go to **dor.sc.gov/forms** and search for D-128.

- Complete the application.
- Sign and mail to the SCDOR per the form instructions.
- **You must complete a D-128 for each tax type paid through the EFT program.**
- The SCDOR will notify you when to begin EFT payments once we receive and process your completed D-128.

If you receive a mandate notice, and a payroll service or service bureau makes your employer withholding payment, notify them of this requirement. You may be assessed penalties if you do not comply.

Who is exempt from EFT?

- **Seasonal filers** are exempt from this program. A **seasonal filer** is a taxpayer who conducts business in South Carolina and is required to file and pay a tax liability only during certain months of the year; for example, summer or winter months.
- Government agencies currently making tax payments through IDTs (Interdepartmental Transfers) are exempt.

If you fall within one of these categories and choose to use the EFT program, mark the **EXEMPT** block on the registration application for EFT (D-128). Return the application and any supporting documentation to the address shown on the D-128.

Is voluntary participation allowed?

Yes, voluntary participation is encouraged.

- Complete and return the D-128
- Check the box marked **VOLUNTARY PARTICIPANT**

How do I withdraw from the EFT Program?

Previously mandated EFT participants can withdraw from the program if:

- For 12 consecutive months or 4 consecutive quarters, the qualifying threshold amount of \$15,000 is not satisfied
- For 12 consecutive months, the number of payments sent to the SCDOR is less than the 24 payment requirement (for withholding only)

Send a written request to the EFT Help Desk email or mailing address if you qualify.

Fedwires are for emergencies only and must be pre-approved. Call the SCDOR at 803-896-1715 for more information.

ACH CREDIT FORMAT

TAX PAYMENT (TXP) ADDENDUM (CCD+) FORMAT

Field #	Field Name (Data Elements & Separators)	Field Requirements	Data Element Type	Min/Max Use	Contents
	Segment Identifier	M			TXP
	Separator				*
TXPOI	Taxpayer ID	M	AN	1/15	xxxxxxxxxxxxxxxx
	Separator*				
TXPO2	Tax Type Code	M	ID	1/15	xxxxx
	Separator*				
TXPO3	Tax Period End Date	M	DT	6/6	YYMMDD
	Separator *				
TXPO4	Amount Type	M	ID	1/1	X
	Separator *				
TXPO5	Amount	M	N2	1/10	\$\$\$\$\$\$\$\$cc
	Separator *				
TXPO6	Amount Type	O	ID	1/1	X
	Separator *				
TXPO7	Amount	C	N2	1/10	\$\$\$\$\$\$\$\$cc
	Separator *				
TXPO8	Amount Type	O	ID	1/1	X
	Separator *				
TXPO9	Amount	C	N2	1/10	\$\$\$\$\$\$\$\$cc
	Separator *				
TXPIO	Taxpayer Verification	O	AN	1/6	xxxxxx
	Terminator	M			\

FIELD NAME REQUIREMENTS

SEGMENT IDENTIFIER: "TXP" must be entered in this field. This identifies the transaction as a tax payment.

SEPARATOR: An asterisk (*) must be entered to separate data elements in the CCD+ record.

TAXPAYER ID: Your **SC State 9 digit file number** for the tax type being paid.

TAX TYPE CODE: Select the code from the table below, depending on the tax type being paid.

TAX TYPE CODES

DESCRIPTION	CODE	DESCRIPTION	CODE
911	42714	Deed Recording Fees	11603
Admissions	10901	Dry Cleaning	33518
Alcohol	11001	Electric Power	11701
Airline	12902	Indigent Health Care	43105
Beer Excise	11202	Motor Fuel	32312
Bingo	12560	Public Utility	12450
Brewpub	11207	Tobacco Products	11408
Carline	12901	Wine	11303
Corporation:		Withholding	10811
Bank	10103		
Corporation (Domestic, Foreign, or Limited Liability)	10807		
Electric Coop	10601		
Non-Profit Corporation	10807		
Savings and Loan	10203		
Utility	10807		

TAX PERIOD END DATE This date must be entered "YYMMDD" (YY = Year; MM = Month; DD = Day). See page 8 (DT) for further information.

AMOUNT TYPE Enter a "T" for tax, "P" for penalty, or "I" for interest.

AMOUNT Enter the dollar amount(s) being paid. The amount field should always contain cents (cc).

TAXPAYER VERIFICATION This is an optional field that may be used in the future by the South Carolina Department of Revenue to verify the taxpayer's identity.

Example:

705TXP*Nine digit SC Taxpayer ID#*Five digit tax type*YYMMDD*T*\$\$\$\$\$\$\

705TXP*123456789*11111*190201*T*12345\

ADDENDUM: FORMAT DEFINITIONS

AN: The string type data element is symbolized by the representation, AN. Contents of string type data elements are a sequence of letters, digits, spaces, and/or special characters. The contents shall be left-justified. Trailing spaces should be suppressed unless they are necessary to satisfy a minimum length requirement.

AMOUNT: The amount fields are used to carry the dollar amount(s) owed and/or being paid. Only one amount field (TXPO5) is required, the other two amount fields (TXPO7 and TXPO9) are conditional upon the presence of the amount type fields (TXPO6 and TXPO8) respectively. Thus, if TXPO6 is not utilized, then TXPO7 will not appear in the convention. When the amount field is used, it should always contain cents (cc). If TXPO6 and TXPO8 are present, TXPO7 and TXPO9 should have an amount (even if zero).

AMOUNT TYPE: The amount type is used to identify the type of amount that follows. To date, identified values include T for Tax, P for Penalty, I for Interest, in that order.

CONDITIONAL (C): The presence of this field (data element) is dependent on the value or presence of other fields (data elements) in the convention.

DT: Format for the date type (DT) is YYMMDD. YY is the last two digits of the year (00-99), MM is the numeric value of the month (01-12), and DD is the numeric value of the day (01-31).

DATA ELEMENT TYPE: The data element type field identifies the type of information contained in the data element (field). For instance, AN, ID, DT, N2.

FIELD REQUIREMENT: The field requirement of a field (data element) indicates whether the field is mandatory (M), optional (O), or conditional (C).

ID: The identifier type data element is symbolized by the representation, ID. An identifier data element shall always contain a value from a predefined list of values.

MANDATORY (M): This field (data element) shall appear in the convention.

MIN/MAX USE: The min/max use of a field specifies the minimum length of a particular field. For example, 1/6 indicates that this data element must carry at least one character, but no more than 6.

N2: The numeric type of field (data element) is represented by the two-position representation, N2. N indicates numeric and 2 indicates the decimal places to the right of a fixed, implied decimal point. The decimal point is not included. This number will always be positive for the TXP application. In the TXP convention, the amount fields are defined as N2 type data elements. Thus \$1,200.00 would look as follows * 120000*. Note for zero dollar amounts, this data element type may contain one character (0).

OPTIONAL (O): The appearance of this field (data element) is either at the option of sending party or originator and is based on the mutual agreement of the originator and receiver.

You should keep the trace number issued by your financial institution to assist in locating a transaction if it is not received by the SCDOR.

FAQs: TRANSMISSION

Q. When must I transmit for a timely transfer?

A. Initiate your transaction **on or before** the due date. You may use the **Payment Warehousing** feature to schedule a payment up to 90 days in advance. The **Settlement Date** is the date the funds are actually transferred. For the payment to be timely, it must post to the SCDOR's bank account no later than two banking days after the due date.

Q. If my tax payment is even dollars, do I still report cents?

A. Yes. Cents must be reported even if zero.

Q. What is the tax period end date?

A. The last day of the month, quarter, or year/accounting period for which the tax is due. For indigent care taxpayers, it is January 1, April 1, July 1, and October 1 of each year.

Q. Do I have to do a test payment?

A. Yes. The test payment is a recommended industry safeguard used to verify your Routing/Transit number and bank account number. Contact your financial institution for instructions. The test payment should be made for \$0.01.

Q. What should I do if I use ACH Credit and the transmission cannot be made?

A. Call the SCDOR EFT Helpdesk at 803-896-1715 for assistance. **Do not send a fedwire without prior authorization.**

Q. Are payments on amended returns allowed through ACH Credit?

A. Yes. Indicate SC taxpayer ID, tax period end date, and tax code as if making a current payment.

Q. Can bill payments be made through ACH Credit?

A. Yes. Indicate SC taxpayer ID, tax period end date, and tax code as if making a current payment.

Q. How can I recover funds mistakenly transmitted?

A. Call the EFT Help Desk at 803-896-1715 for instructions on requesting a refund. It may also be possible to apply the payment to another period. Existing refund procedures will be followed.

Q. DO I still have to file a return if I use the ACH Credit method?

A. **911**

Yes. ST-406 is available on MyDORWAY.

Indigent Care

No return is required.

Withholding

Yes. You must file both the WH-1605 and the WH-1606. Do **not** file the WH-1601. If a payment is due for either WH-1605 or WH-1606, send your payment through EFT and file your returns through MyDORWAY or another SCDOR approved electronic method.

Corporate

Yes. File the SC1120, Corporate Income Tax Return or the SC1120T, Tentative Corporation Tax Return and Conditional Extension. Do **not** file the SC1120-CDP, Corporation Declaration of Estimated Income Tax coupon.

All other taxes

File as required.

PENALTY AND INTEREST

Q. What happens if I don't make timely EFT payments?

A. You will be subject to penalty and interest as prescribed by law. Section 12-54-43(D) and (E) impose penalties of 0.5% per month, for a maximum of 25%, for amounts shown on a return or required to be shown on a return that are not paid by the original due date. For Income Tax purposes, Section 12-54-55 imposes declaration penalties (equal to the federal interest rate) on underpayments of estimated tax. Section 12-54-25 imposes interest on amounts that are not paid when due.

Q. What happens if I don't file my return on time?

A. You can be charged a penalty under SC Code Section 12-54-210(A) of up to \$500 for failure to file a timely return.

Q. What happens if I am notified to register with the program and I don't comply?

A. You can be charged a penalty under SC Code Section 12-54-210 for failing to file as the SCDOR mandates under SC Code Section 12-54-250(D). SCDOR will allow alternative means other than paper to file returns and reports necessary under this code section.

WEEKENDS AND HOLIDAYS

Q. What if a payment due date falls on a holiday or weekend?

- A.
- If the last day of a specified period is a Saturday, Sunday, or a legal holiday, SC Code Section 12-60-50 extends the end of the period to the next business day.
 - If a payment due date falls on a bank holiday or weekend, you must initiate the transaction on or before the banking day following the holiday or weekend.
 - For the payment to be timely, it must post to the SCDOR's bank account no later than two banking days after the date of initiation.
 - See the holiday schedule below to determine when you must initiate your payment.

HOLIDAY SCHEDULE

Under SC Code Section 12-60-50, a legal holiday is any day the SCDOR (+) or the offices of the United States Postal Service (*) are closed. They include:

New Year's Day	January 1*+
Martin Luther King Jr. Day	Third Monday of January*+
Presidents' Day	Third Monday of February*+
Confederate Memorial Day	May 10+
Memorial Day	Last Monday of May*+
Independence Day	July 4*+
Labor Day	First Monday of September*+
Columbus Day	Second Monday of October*
Veterans' Day	November 11*+
Thanksgiving Day	Fourth Thursday of November*+
Day After Thanksgiving	Friday following Thanksgiving Day+
Christmas Eve	December 24+
Christmas Day	December 25*+
Day After Christmas	December 26+

*Federal Reserve Bank Holiday - If a Federal Reserve holiday falls on an SCDOR due date, the due date moves to the next business day regardless of whether the SCDOR is open or not.

+SCDOR Holiday - When a state holiday falls on a Saturday, it will be observed on the preceding Friday. When a state holiday falls on a Sunday, it will be observed on the following Monday. (Exceptions may apply.)